

# THE CONNECTION

SUMMER 2003

A QUARTERLY PUBLICATION FROM THE ACCOUNTING DIVISION OF WASHINGTON STATE'S OFFICE OF FINANCIAL MANAGEMENT

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If you have questions or comments on any information contained in *The Connection*, please contact Vivian Pendleton at (360) 664-7654 or email: [vivian.pendleton@ofm.wa.gov](mailto:vivian.pendleton@ofm.wa.gov)

## Major Personnel System Changes Are In the Works

### PSRA Project

**T**he *Personnel System Reform Act* (PSRA), approved during the 2002 legislative session, will become fully effective in July 2005, and will improve public services by:

- Streamlining the state's civil service system,
- Expanding collective bargaining,
- Providing for competitive contracting, and
- Supporting the changes listed above with a modern, flexible human resource information system.



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## Attention Travelers

**Higher per diem rates apply in two counties.**

**W**hen traveling to Clark and Skamania Counties, you shall now use the Portland, OR per diem rate of \$91.00/lodging and 42/meals. How can this be? In the recently passed budget, an exception to the per diem rates was added for any county that is part of a metropolitan statistical area (MSA), where the largest city is in another state - a la the Portland-Vancouver-Beaverton, OR-WA MSA.

This policy became effective July 1, 2003, and extends through the 03/05 biennium only.

For details, please refer to *SAAM*, Chapter 10 – Travel, 10.20.30.g. at <http://www.ofm.wa.gov/accounting/policies.htm>.



### *Want to Save Time and Expenses?* **TVS can help.**

Contact OFM's Electronic *Travel Voucher System* representative, Owen Barbeau at [owen.barbeau@ofm.wa.gov](mailto:owen.barbeau@ofm.wa.gov) or 360-664-7766.





*Sadie Rodriguez-Hawkins*

## Comments from the Assistant Director

### Accomplishing Change Through Successful Partnerships

In writing this article, I was reminded of the old adage – “*We can’t pick our families, but we can pick our friends.*” It occurred to me that this adage is just as applicable to our workplace because teams or work groups are generally well established at the time of our hire.

On the other hand, work relationships exist in which we selectively engage that are not imposed upon us — these are better known as “*partnerships.*” By their very nature, partnerships imply that two or more persons have reached an agreement to work towards a common goal with the understanding that all parties will contribute to and profit from its success.

This type of partnership is exactly what emerged between the Department of Social and Health Services (DSHS) and the Office of Financial Management (OFM) when we agreed to collaborate on the Financial Reporting Improvement Project (FRIP).

The end results from the *FRIP Partnership for Success* will be much bigger and more far-reaching than initially envisioned. It is now quite evident that the work products developed by DSHS and OFM staff will benefit *all* state employees, as they are able to take advantage of the new Financial Reporting Tool and the Flexible reports developed for DSHS. State agencies will also benefit from the lessons learned in bringing this partnership to a successful conclusion.

For example, as the project moved forward we had to continually make choices between various options. Moving from an independent to a partnership focus was not always easy. Partnerships are not free – they come with a price. We each had to give up something to get something – we were required to look at the common good vs. meeting our individual agency needs. We had to be open and flexible to new ideas and really, really listen to what was being said. Then, we had to be willing to make changes based on what we had learned.

I’m delighted to report that after three years of effort, this major project went *live* on July 1, 2003. Truthfully, it did not come without its share of anxiety and frustration. However, life-long relationships were formed as people worked together towards a common goal. These relationships will bear much fruit for years to come.

In closing, I would encourage you to seek opportunities to partner with other state agencies. Take the first steps and choose your partnerships well – you will not be disappointed.

### Congratulations!

## FRIP Crosses “The Partnership for Success” Finish Line

The successful and timely completion of the *Financial Reporting Improvement Project* (FRIP) fully integrated DSHS into AFRS as of July 1, 2003. As a result, DSHS will

- Greatly reduce their reconciliation efforts by reporting all data through a single system,
- No longer have to maintain and support two older systems,
- Use the *Financial Toolbox* to do cost allocation adjustments, and
- Their employees will have greater access to FASTRACK – the common statewide reporting tool.

Our thanks to everyone who participated in this project over the past two years, giving “over and above” performances to make it happen.

For additional information about FRIP, please contact the Enterprise Reporting Project Manager, Ann Bruner, at [ann.bruner@ofm.wa.gov](mailto:ann.bruner@ofm.wa.gov) / 360-664-7711.



*Pictured from left to right: Ann Bruner, FRIP Lead Project Manager, OFM; Jane Chapman, Reporting Product Manager, OFM; Gloria Sypnicki, FRIP Reporting Project Manager, DSHS and Esther Fredson, Reporting Product Manager, DSHS.*

# Personnel System Changes...

*continued from front page*

## Roles & Responsibilities

Three agencies have central responsibilities for the key components of PSRA:

1. Office of Financial Management (OFM) - *Collective Bargaining*;
2. Department of Personnel (DOP) - *The New Human Resources Information System/Civil Service*; and
3. Department of General Administration (GA) - *Competitive Contracting*.

The directors of OFM, DOP, and GA serve as the executive sponsors for the project. A cabinet advisory committee has also been established. The deputy directors will focus on effectively implementing the changes resulting from personnel reform. Human Resource Managers are the liaisons to their respective agencies, and will provide information to DOP and OFM on Civil Service Reform/Collective Bargaining issues.

Watch for updates on this important topic in future editions of *The Connection*. In the meantime, for additional information please visit DOP's website at:

<http://hr.dop.wa.gov/hrreform/default.htm>.

## Human Resource and Financial Process Benchmark Project

The Department of Personnel and Office of Financial Management have selected Sierra Mercer as the consultant to lead the benchmark project and help establish a high-level baseline for state government human resource and financial processes.

Sierra Mercer will provide:

- The data collection tool and training,
- Interviews and focus groups to validate collected data,
- Knowledge of comparable industry and government benchmarks, and
- Consulting and gap analysis.

Twelve agencies will be invited to participate in each assessment. The baseline measures for human resource processes will be conducted this summer, and measurement of financial processes will begin in early 2004. Follow-up assessments are slated for 2006, after we've had some experience with the new Human Resource Management System (HRMS).

The benchmarking projects will support several of Governor Locke's strategies for streamlining government's "back office" functions, and taking an enterprise-wide approach to systems design. Each assessment will compare Washington State's business practices to "best or better practices" and benchmarks in comparable industry and government organizations. All of the learnings that result from the study will inform the design of the new HRMS.

For more information about the Benchmark Project, please contact either Kathy Rosmond, OFM Enterprise Baseline Project Leader at [Kathy.Rosmond@ofm.wa.gov](mailto:Kathy.Rosmond@ofm.wa.gov) / 360-664-7771, or Doug Tanabe, DOP Enterprise Project Leader at [dougt@dop.wa.gov](mailto:dougt@dop.wa.gov) / 360-664-6311.

## HRMS Update

The Department of Personnel (DOP) has maintained an aggressive schedule in the evaluation and selection of the new *Human Resource Management System* (HRMS) in order to meet their August 2003 target date for starting the implementation project.

Vendor proposals were received from the following two teams on May 23:

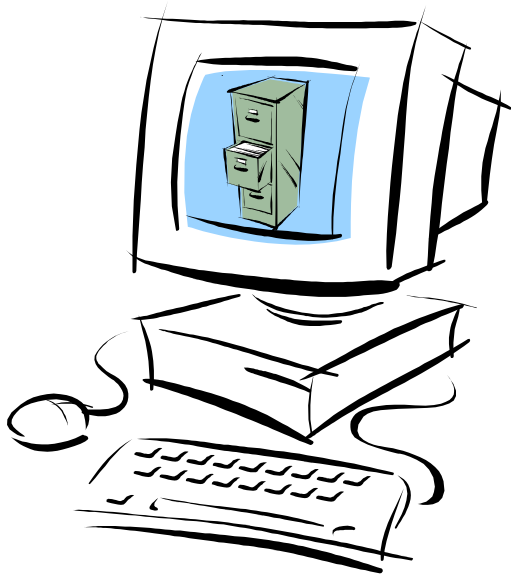
1. IBM/Peoplesoft/Dye Management/Maximus
2. Accenture/SAP/Microsoft/Hewlett Packard

During the week of June 9, DOP, assisted by software selection/quality assurance experts from Deloitte & Touche, led the HRMS evaluation/selection committees. Representatives from many agencies participated in the evaluation process, which included vendor demonstrations in Olympia.

The committees finalized and submitted their selection recommendation to DOP management during the week of June 23.

On June 30, 2003, DOP Director Gene Matt announced *Accenture/SAP/Microsoft/Hewlett Packard* as the Apparent Successful Vendors chosen. Contract negotiations with the HRMS Software Package and Software System Integrator vendors have begun and are targeted for completion in early July 2003.

For additional information on the HRMS Project, please contact Tom Miller at [tomm@dop.wa.gov](mailto:tomm@dop.wa.gov) 360-664-6360, or visit the DOP website for HR2005 at <http://hr.dop.wa.gov/hrreform/default.htm>.



## IAP Process For Paying L&I

To assure smooth and efficient processing of payments to L&I by IAP, please use the following procedure:

- Use AFRS statewide vendor number SWV0014152-00.
- Enter the quarter and year you are paying in the AFRS Invoice Number field (e.g. 2002 4TH QTR).
- Enter your L&I account ID in the AFRS Account Number field (e.g. 919,538-00)
- Use AFRS transaction code 642 and a variable AFRS general ledger code 5124 (if the amount due was recorded in Fund 035 or 715).
- DO NOT send any hardcopy information to L&I or the Office of the State Treasurer.

If you have any questions regarding the IAP process, please contact Marilei Amurao-Tabile at [Marilei@ofm.wa.gov](mailto:Marilei@ofm.wa.gov) 360-664-7761.

For questions about the L&I *Express Filing System*, please use the Customer Support area in the Express Filing Application at <http://support.lni.wa.gov/userWelcome.asp>, or call your Enrollment Coordinator at 360-902-5999.

## File Your L&I Quarterly Premiums On-Line...

### *And Pay by IAP*

Recognizing the special circumstances state agencies face when filing quarterly industrial insurance reports and paying premiums, the Department of Labor & Industries (L&I) has made some exciting and helpful enhancements to their *Express Filing System*.

As of July 1, 2003, you can enroll, activate your account and file your quarterly report.

### Enhancements to the *Express Filing System* include:

#### Payment Methods Offered

The Inter-Agency Payment method (IAP) is the only payment option available for state treasury agencies. The IAP process was modified to allow multi-fund payments. Industrial insurance premium payments are deposited into three accounts (608, 609 & 881 of the Workers' Compensation Fund), based on percentages determined by L&I.

Paying agencies will only need to enter the gross amount of the premium due. AFRS will then take care of depositing their payment into the three accounts, based on the fund allocation specified by L&I.

#### Rounding Issue

Each pay period, the state payroll system calculates and accrues the industrial insurance premium due to L&I. Each quarter, agencies complete and submit their Employers Quarterly Report for Industrial Insurance, computing employee hours by dividing the premium amount calculated by the payroll system, by the associated risk classes.

Since only whole hours are accepted by the L&I Employer Account System, minor rounding differences can occur between the premium computed from the quarterly report and the premium payable amount calculated by the state payroll system.

*Express Filing* now includes a "Premium Amount Calculated by the State Payroll System" and an "Amount Due For This Quarter" field. Any difference between these two fields is displayed in the "Rounding Difference" field, and minor differences are accepted as payment in full.

#### Hard Copy Back Up

After submission, the IAP payment system will provide a printer-friendly report your records. Since there is no paperwork exchange necessary, this printable report should be retained by your agency, not sent to L&I. AFRS will send an e-mail remittance advice to L&I once the transaction is completed by the paying agency.

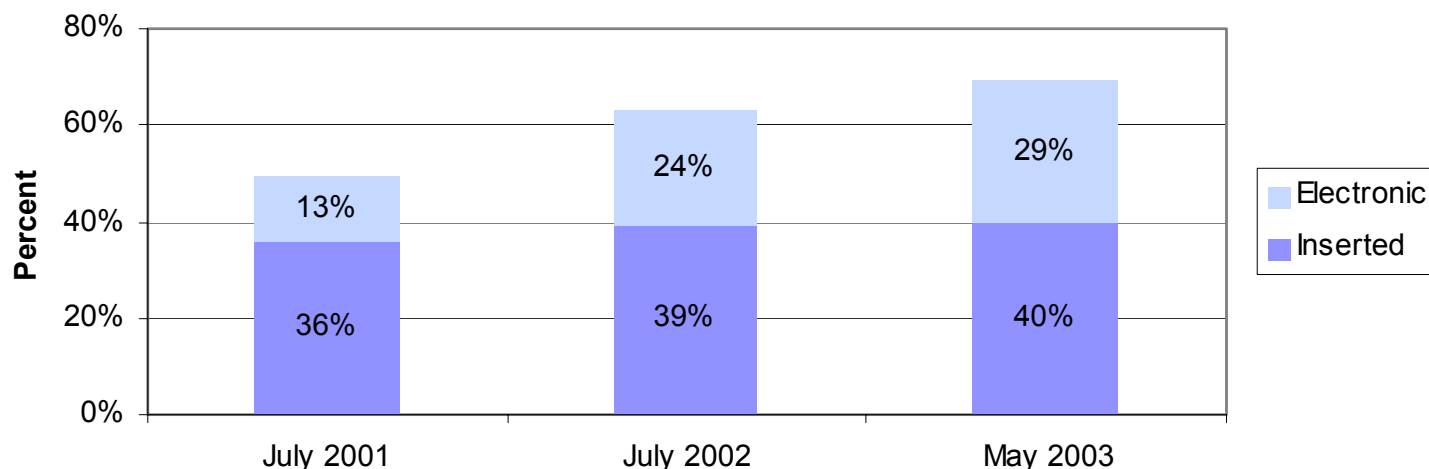
For more information on the L&I *Express Filing System*, please visit their website at <http://www.lni.wa.gov/expressfiling>.



## Electronic Payments on the Rise

More Washington State agencies are using the electronic payment method. During the month of May 2003, 29% of all AFRS payments were made via EFT or the IAP (Interagency Payment) process. The savings to taxpayers continue to add up. Our thanks to all the state agencies that have contributed to this steady increase. Keep up the good work!!

**Hands-Off Payment Trends**



**Remember...**  
**Help The State Save Money**  
*Use the Systems Approval Process*

**T**he Office of Financial Management (OFM) and Department of Information Services (DIS) are partnering with agencies to find ways to save money by leveraging system investments through the *Systems Approval Process*.

Even if a project is approved in your agency budget, written approval by OFM is still required prior to any significant development, enhancement or acquisition of a financial/ administrative system.

To obtain the best results, remember to involve DIS and OFM very early in your planning stages and remain open to the possibility of an enterprise or multi-agency approach to any system acquisition.

For additional information about the approval process, please visit our website at:

<http://www.ofm.wa.gov/systemsapproval/home.htm>, or contact Susan Dodson at [susan.dodson@ofm.wa.gov](mailto:susan.dodson@ofm.wa.gov) 360-664-7689.

## All The Financial Tools You Need – In A Box

The *Financial Toolbox*, a new product being offered by Statewide Financial Systems, was released on July 1, 2003. It's a web-based application with built in security that can interface financial transactions from your desktop to AFRS.

The *Toolbox* can be used for any type of transaction, including recurring payments, adjustments and distribution of costs.

We are looking for agencies to pilot this great new *Toolbox*. If you are interested in trying it out, please contact Cheryl Hainje at [cheryl.hainje@ofm.wa.gov](mailto:cheryl.hainje@ofm.wa.gov) 360-664-7691 or Rick Castro at [rick.castro@ofm.wa.gov](mailto:rick.castro@ofm.wa.gov) 360-664-7685.



## All About SAAM...

The *State Administrative and Accounting Manual* (SAAM) was updated in a number of areas effective July 1, 2003. Some changes were due to actions by the 2003 Legislature, while others were made to clarify existing policy and improve the effectiveness of state accounting activities.

### Chapter 10 - Travel

The state Legislature adopted a provision that provides for an exception to the lodging and meal rates for counties that are part of a metropolitan statistical area (MSA), in which the largest city is in another state. This exception is valid during the 2003-05 biennium. It requires that travel allowances for Clark and Skamania Counties (which are included in the Portland-Vancouver-Beaverton, OR-WA MSA) be reimbursed at the rate allowed for Portland, OR.

### Chapters 15 and 16 - Personal Service and Client Service Contracts

Many of the changes to Chapters 15 and 16 are for clarification purposes; for example, clarification of definitions and training requirements. Also, new sections were added to both chapters to cover managing/monitoring contracts.

### Chapter 50 - Federal Compliance

Various subsections of this area were updated to reflect changes in federal regulations.

### Chapter 75 - Uniform Chart of Accounts

As a result of legislative actions, one agency and 30 new accounts were added to the Chart of Accounts. The sub-object for non-capitalized equipment expenditures was changed from EQ to JA to better serve the needs of the data users. Additionally, the revenue source code structure was changed, resulting in the renumbering of certain existing codes.

### Chapter 80 - Accounting Policies

The major change to Chapter 80 is clarification of the policy related to requirements for agencies implementing, maintaining or modifying financial or administrative systems. More detail is provided regarding when OFM approval is required, what information should be included in the request for approval, and the process that OFM will follow in responding to the request. A link to the approval request form is also provided.

### Chapter 85 - Accounting Procedures

Updates to this chapter primarily reflect changes to the chart of accounts, clarification on policies related to statutorily cancelled warrants, and accounting for bonds and certificates of participation.

Additional details related to *SAAM* changes are noted in Directive 03A-03 which accompanied the policy update. The entire text of SAAM, as well as Directive 03A-03 is available on our web site at

<http://www.ofm.wa.gov/accounting/policies.htm>.

Questions regarding content and proper interpretation of the policies in Chapters 15 and 16 should be directed to the following OFM Contract staff:

Susan Johnsen	<a href="mailto:susan.johnsen@ofm.wa.gov">susan.johnsen@ofm.wa.gov</a> 360-725-5258
Laura Nelson	<a href="mailto:laura.nelson@ofm.wa.gov">laura.nelson@ofm.wa.gov</a> 360-725-5259
Jan McMullen	<a href="mailto:jan.mcmullen@ofm.wa.gov">jan.mcmullen@ofm.wa.gov</a> 360-725-5260

Questions regarding all other manual content and proper interpretation should be directed to the OFM Accounting Consultant assigned to your agency.



### Looking For A Way To Save & Refocus Resources?

*Small Agency Client Services* can do the work for you. **SACS** provides a full line of Accounting, Budgeting and Payroll services to small agencies.

To explore the possibilities, please contact the **SACS** Product Manager, Yolanda Wilson at [yolanda.wilson@ofm.wa.gov](mailto:yolanda.wilson@ofm.wa.gov) / 360-664-7668.

## Who's New?

### in Accounting



Gayle Rowan joined Small Agency Client Services on July 1, 2003, as a Financial Analyst I. She will be working closely with Nina Irwin in supporting their assigned agencies. Prior to coming to OFM, Gayle worked at the Department of Corrections as a payroll liaison for the Washington Correction Center for Women.

Most of Gayle's spare time is spent with her two sons. They like camping, hiking and going to the beach. She also likes to read or listen to music while cross-stitching.

Gayle can be reached at [gayle.rowan@ofm.wa.gov](mailto:gayle.rowan@ofm.wa.gov) / 360-664-7790.

## - Tech Notes -

### Important SOL Change

Effective June 1, 2003, OST started canceling Statute of Limitation (SOL) warrants on the 181st day from the date of issue, instead of the last business day of the month they become cancelable. AFRS automated SOL entries will run at the same time OST makes the cancellation. SOL entries are identified as WS batch type in the AFRS Batch Header Summary (IN.3) screen.

OST does not send out daily SOL cancellations reports. However, you can view a list of cancelled warrants on-line by accessing the information in TMS (Treasury Management System). Monthly SOL Reports will only be available for agencies upon request.

If you have questions about the automated SOL process, please contact Marilei Amurao-Tabile [Marilei@ofm.wa.gov](mailto:Marilei@ofm.wa.gov) / 360-664-7761.

## AFRS Update

### HY Expansion

Phase I of the *History Expansion* project has been completed. New fields have been added to all core processes, including the AFRS data entry screens.

We are now ready to begin working with agencies on converting their interfaces, so they can take advantage of the new payment-related fields.

During Phase II, we will create a detailed specification document that will have an improved Error Correction process and new fields in the Warrant Cancellation and Disbursement Reporting sub-systems.

### CAS

The *Cost Allocation* project has been fully integrated with AFRS on schedule. The Department of Social and Health Services (DSHS) began using the new process on July 1, 2003.

Currently DSHS staff are preparing the CAS table entries necessary to support the upcoming biennium.

## Need Training? - Think OFM

Thank you Washington State employees for taking advantage of OFM's free classes, and making our training program such a success!

From June 1, 2002 to June 30, 2003, over 8,000 participants, put in over 29,000 student hours to develop or improve their job skills in the areas of financial policies, processes and/or systems.

To check out class availability and/or sign up, please visit our training website at: <http://www.ofm.wa.gov/training.htm>.

